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STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING
1588 West North Temple
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February 5, 1979

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FILE

Mr. Clyde Cheney
Sapphire Corp.
1884 Harrison Ave.
Salt Lake City, Utah 84109

Re: Spectrum Building Stone Claims
Millard County
ACT/027/003

Dear Mr. Cheney:

Thank you for your telephone call of Monday, February 5, 1979 concerning Sapphire Corporation's Spectrum building stone claims in Millard County.

There are two routes you can choose from concerning the filing of the notice of intention and the subsequent mining and reclamation plan. Section 40-8-13 of the Utah Mined Land Reclamation Act requires that the operator of the mine file the notice. However, Section 40-8-4(5) of the Act defines "operator" as follows:

"Operator" means any natural person, corporation, association, partnership, receiver, trustee, executor, administrator, guardian, fiduciary agent, or other organization or representative of any kind, either public or private, owning, controlling, or managing a mining operation or proposed mining operation, including exploring for or developing of a mineral deposit.

Therefore, either the owner or the lessee may file the notice.

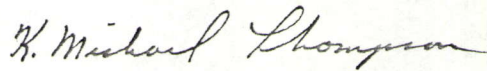
It may be advantageous for you, the owner, to file the notice and post the surety. In this way it would be faster and easier to change lessees. If the notice was filed in the present lessee's name, that person would be required to reclaim the disturbance upon termination of operations unless another operator took over active control beforehand.

The Division has allowed the initiation of development work prior to final approval in some cases. However, these cases occurred in previously disturbed areas and the Division was notified beforehand.

If the Division allowed this action at the Spectrum Claims the disturbance would have to be confined to less than two acres and no more than 500 tons of material could be moved.

The commencement of operations at this time would be in violation of the Utah Mined Land Reclamation Act. Please make an appointment to meet with the Division staff to review the present incomplete plan. The staff member to contact is Mr. James W. Smith; he has previously been working on the plan. Thank you for your cooperation.

Sincerely,

A handwritten signature in cursive script that reads "K. Michael Thompson".

K. MICHAEL THOMPSON
ENGINEERING GEOLOGIST

KMT/sp